ALASKA ECONOMIC TRENDS

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January 1992

LAYOFFS IN ALASKA: 1990

JOB GROWTH SPEEDS UP IN OCTOBER

ALASKA'S WORKER INJURY & ILLNESS RATE IMPROVING

ALASKA DEPARTMENT OF LABOR
WALTER J. HICKEL, GOVERNOR

ALASKA ECONOMIC

TRENDS

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maintaining the foundation of economic security

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Mass Layoffs in Alaska Rise in 1990

by Judy Hallanger

In recent years attention has focused on the dislocated or displaced worker. These interchangeable terms refer to a person who has gained substantial experience and skills in a certain job but has lost that job because of a plant closing, slack work, or elimination of their position or shift. To collect statistics relating to permanent layoffs, the Bureau of Labor Statistics (BLS) developed the Mass Layoff Statistics (MLS) program.

Layoffs up from 1989

Although Alaska's economy was in pretty good shape in 1990, the number of mass layoff events jumped to 72, up from the 54 events of 1989. (See inset this page.) There were more events during the first two quarters of 1990 compared to 1989, and about the same number of events during the last two quarters. (See Figure 1.) The last two quarters of 1989 were heavily impacted by layoffs of cleanup workers from the *Exxon Valdez* oil spill, so it is surprising to see no decline in the number of layoff events in the last two quarters of 1990.

In more human terms, the total number of people laid off dropped by about 4,000 in 1990. However, those filing initial claims for unemployment insurance (UI) after a mass layoff increased by over 2,000. Part of this apparent discrepancy is due to the lag time in filing claims after a layoff event. It often happens when layoffs occur in the fourth quarter of one year and the claims are not filed until the first quarter of the next year. This was especially pronounced in the first quarter of 1990. (See Figure 2.) Another factor could be that jobs were getting harder to find in 1990 and more people needed to file for UI rather than going straight to another job with no break in employment.

The percentage of people filing unemployment claims after a mass layoff event in 1990 was 96%, the highest in three years. The comparable figure in 1989 was 45% and in 1988, 70%. Nationally, 81% of people laid off in a MLS event filed initial claims in 1990, up from 77% in 1989. Why don't all people file for UI after a mass layoff? Some people find another job right away, others return to school after a summer job, and some are ineligible for UI benefits because of insufficient earnings.

The average number of people laid off per event in 1988 was 86. In 1989 this number rose to 225, mainly as a result of the large oil spill cleanup layoffs. The 1990 figure dropped to 114 people per layoff event in Alaska. Nationally, the 1990 figure was 191 people laid off per event; this has been relatively stable over the last three years. Normally, the comparable national figures would be expected to be higher than Alaska figures because only layoffs of 50 or more people are included in the national data.

In 1988 and 1989 only 16 of the Alaskan layoff events were in the 50+ category; this rose to 19 events in 1990. The rest involved between 20 and 49 people per event. This isn't surprising since 95% of Alaska's firms employ fewer than 50 people and around 90% employ fewer than 20 people.

Most MLS layoffs in manufacturing

All of the major industries except finance experienced MLS layoffs in 1990. (See Table 1). The layoffs occurred predominantly in manufacturing with 30 out of

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How MLS Data are Gathered and Used

In brief, the program works this way. Employers with 20 or more unemployment insurance (UI) claims filed against them in any continuous three-week period are marked for contact. If the employer says that 20 or more people were laid off for more than 30 days, a **layoff event** has occurred. When this is the case, employers are asked to provide additional details including how many people were affected, the layoff location and date, and the reason for the layoff.

The information obtained from employer contacts is then linked to UI claims data, and worker profiles are developed incorporating claimant characteristics. The data are also sent to the federal Bureau of Labor Statistics for inclusion into national statistics.

Currently, MLS data are used in a formula to distribute certain Job Training Partnership Act (JTPA) funds. In the future, more programs may depend on MLS data for federal funding as well as for indications of change in the layoff situation both at the state level and nationwide.

Table • 1

MLS Layoffs by Industry, 1990

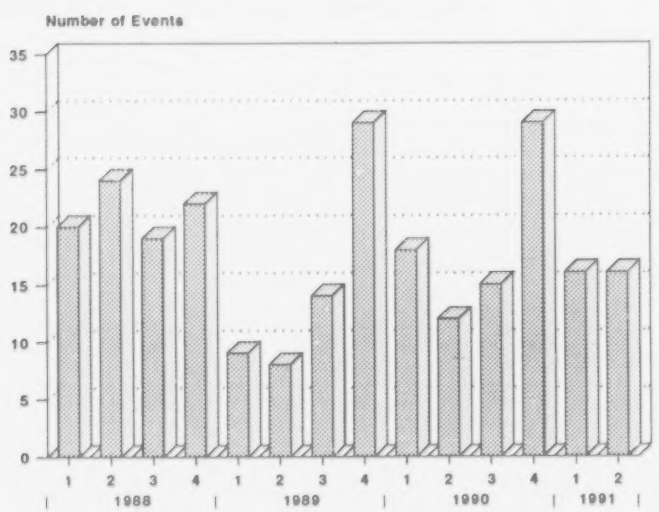
	Number of Layoff Events	Percent of Total	People Laid Off	Percent of Total	Initial UI Claims	Percent of Total
Manufacturing	30	41.7	3,566	43.5	2,568	32.8
Mining	13	18.1	1,897	23.2	2,596	33.2
Construction	13	18.1	890	10.9	1,004	12.8
Transportation	10	13.9	762	9.3	1,266	16.2
Services	3	4.2	229	2.8	242	3.1
Trade	2	2.8	134	1.6	77	1.0
Government	1	1.4	711	8.7	68	0.9
Total	72	100	8,189	100	7,821	100

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 1

Mass Layoff Events in Alaska 1988-1991

Source: Alaska Department of Labor, Research and Analysis Section.



72 events. This is similar to the national picture which shows around half of all layoff events are in manufacturing. Rounding out the Alaska top four were mining, construction, and transportation. Together, these four industries comprised a small share of Alaska's 1990 employment but accounted for the majority of the MLS layoff events. (See Figure 3.)

Within the manufacturing industry, there was a fairly even split between the seafood processors and the forest products industry as far as MLS layoffs were concerned. Most layoffs were seasonal; but a few were attributed to slack work, foul weather, or bankruptcy.

The oil and gas field services sector overwhelmingly dominated the mining industry layoffs. Over 90% of the people laid off and resultant UI claims in mining were due to projects ending or seasonal closures in oil and gas field services. About 90% of mining employment in Alaska in 1990 was concentrated in oil and gas, with about half of that in the oil and gas field services sector.

The remaining three industries (services, trade, and government) did not show as much MLS activity. This is to be expected since they are either com-

posed of mainly small firms (services and trade) or traditionally offer less seasonal employment (government) than the industries previously discussed. The single government layoff was a result of short-term employees ending their work on the decennial census. Many of these positions were held as second jobs. This could explain the extremely low number of UI claims filed relative to the number of layoffs reported. Also, some census jobs may not have lasted long enough for the workers to earn enough money to be eligible for UI.

"Seasonal" Leads List of Reasons for Layoffs

The foremost cause of MLS layoffs in Alaska in 1990 was seasonal factors. This was cited more than twice as often as any other reason. (See Table 2.) Since so many economies and industries in Alaska are seasonal, this confirms what has long been suspected. Every industry except government and trade experienced seasonal layoffs.

The next most important reason for layoffs was completion of a contract. MLS employers occasionally also cited slack work, weather-related curtailment, contract cancellation, and bankruptcy. Many other causes for mass

Table • 2

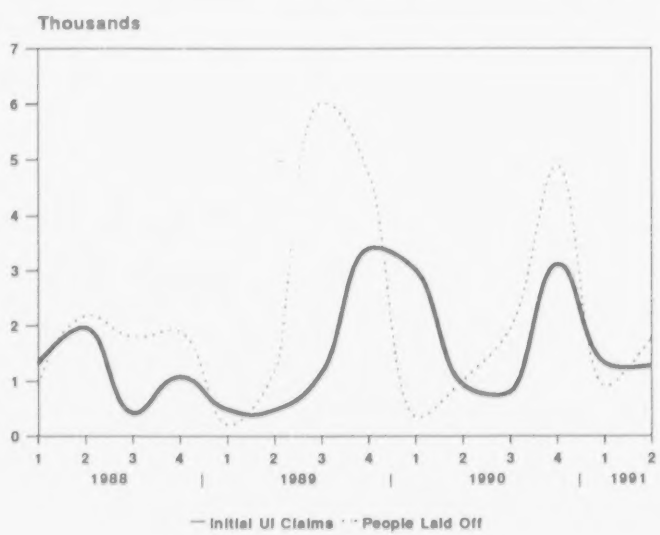
Reasons for MLS Layoffs, 1990

	Number of Layoff Events	Percent of Total	People Laid Off	Percent of Total	Initial UI Claims	Percent of Total
Seasonal	41	56.9	4,582	56.0	3,518	45.0
Contract Completed	18	25.0	2,271	27.7	3,201	40.9
Slack Work	4	5.6	245	3.0	302	3.9
Contract Cancelled	3	4.2	126	1.5	270	3.5
Bankruptcy	1	1.4	150	1.8	64	0.8
Vacation Period	1	1.4	20	0.2	211	2.7
Weather-Related	1	1.4	0	0.0	121	1.5
Other	3	4.2	795	9.7	134	1.7
Total	72	100	8,189	100	7,821	100.0

Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 2

Number of People Involved in Mass Layoffs in Alaska 1988-1991



Source: Alaska Department of Labor, Research and Analysis Section.

Table • 3

Location of MLS Initial Claimants Compared to All UI Claimants in 1990

	MLS Initial Claimants	Percent of Total	All UI Claimants	Percent of Total
Aleutian Islands Census Area	1	0.0	28	0.1
Anchorage Borough	1,580	20.2	12,988	26.0
Bethel Census Area	18	0.2	577	1.2
Bristol Bay Borough	6	0.1	48	0.1
Dillingham Census Area	16	0.2	237	0.5
Fairbanks North Star Borough	1,104	14.1	5,836	11.7
Haines Borough	20	0.3	201	0.4
Juneau Borough	151	1.9	1,808	3.6
Kenai Peninsula Borough	1,150	14.7	4,630	9.3
Ketchikan Gateway Borough	440	5.6	1,444	2.9
Kodiak Island Borough	352	4.5	1,150	2.3
Matanuska-Susistna Borough	621	7.9	4,096	8.2
Nome Census Area	68	0.9	545	1.1
North Slope Borough	5	0.1	251	0.5
Northwest Arctic Borough	45	0.6	572	1.1
Prince of Wales-Outer Ketchikan C.A.	84	1.1	717	1.4
Sitka Borough	134	1.7	649	1.3
Skagway-Yakutat-Angoon Census Area	224	2.9	544	1.1
Southeast Fairbanks Census Area	76	1.0	532	1.1
Valdez-Cordova Census Area	294	3.8	1,185	2.4
Wade Hampton Census Area	27	0.3	320	0.6
Wrangell-Petersburg Census Area	296	3.8	757	1.5
Yukon-Koyukuk Census Area	81	1.0	836	1.7
Alaska-Unknown Census Area	46	0.6	0	0.0
Alaska Total	6,839	87.4	39,951	79.9
Out of State	982	12.6	10,033	20.1
Total	7,821	100.0	49,984	100.0

Source: Alaska Department of Labor, Research and Analysis Section.

layoffs or business closings include: business ownership change, labor dispute, import competition, and automation, to name a few. Some of these are more important nationwide but may affect Alaska in the future as our economy diversifies.

Nationally, slack work was the chief cause for MLS layoff events (31%) in 1990, but seasonal closings were a close second at 29%.

Comparing MLS with Other UI Claimants

How do the initial claimants from MLS layoffs compare to other UI claimants? At first glance they seem to live in most of the same places. (See Table 3.) The percentage of MLS claimants, however, is less in the urban communities of Anchorage and Juneau. This makes sense because manufacturing generates relatively little of the total employment in those cities (less than 2% in 1990).

On the other hand, some of the major fishing and logging areas such as the Kenai Peninsula, Kodiak, Ketchikan, Valdez/Cordova and Wrangell/Petersburg have a disproportionately larger share of MLS claims. This reflects the high number of seafood processing, logging and mill layoffs in those areas. For Fairbanks residents, layoffs in almost every industry (especially construction) caused MLS claims to be relatively high.

A smaller percentage of Alaska Natives were MLS initial claimants than in the general UI claimant population. (See Figure 4.) There were also slightly more people over age 55 in the MLS group. The smaller proportion of women in the MLS initial claimants is probably a reflection of the smaller proportion of women working in the manufacturing, mining, construction, and transportation industries.

Summary

Since the early 1980s, there has been growing concern over dislocated workers. Several programs were established to help these workers and to gather statistics about the problem. In Alaska, the MLS program began in late 1987 to record information about layoffs and the people they affect.

The number of MLS layoff events rose from 54 in 1989 to 72 in 1990. Although the average size of a layoff dropped and fewer people were laid off, more of them filed initial claims for unemployment. Over 96% of the people who were laid off filed for unemployment insurance.

Over half the Alaska MLS events occurred in the manufacturing industry. This corresponds closely with national data. In Alaska, however, seasonal factors are the primary reason for MLS layoffs while nationally, slack work causes the most MLS events, with seasonal factors a close second.

Preliminary 1991 MLS data indicate more layoff events occurred in that year than in 1990. If Alaska continues to eke out employment growth at a minimal rate or if employment declines, the number of layoffs in 1991 could increase substantially over 1990 levels.

Figure • 3

Industry Composition in 1990
Alaska Employment and MLS Layoff Events

Source: Alaska Department of Labor, Research and Analysis Section.

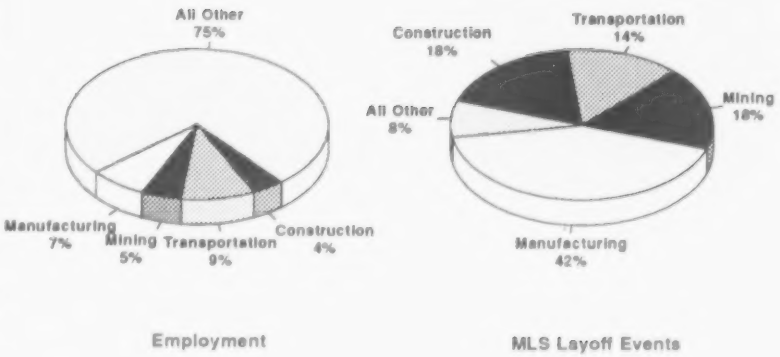
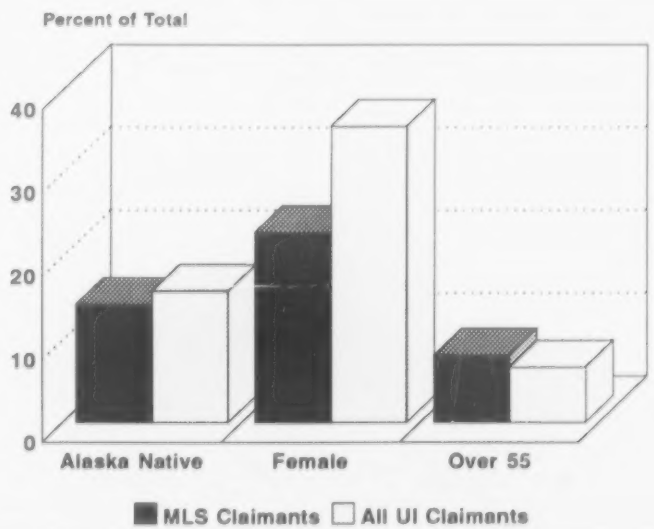


Figure • 4

Selected Characteristics
of MLS Claimants

Source: Alaska Department of Labor, Research and Analysis Section.



Alaska's Worker Injury and Illness Rates Improving

by James Wilson

Jim Wilson is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. He is based in Juneau.

Alaska has one of the highest worker injury rates in the nation. The ratio of higher risk jobs in our work force make this a fact. The percentage of Alaskan workers in seafood processing, wood products, mining, and transportation is much greater than the national average. Although Alaska is among the states with high injury rates, there is some good news to be seen in the latest figures on Alaska's work injury and illness rates.

Rates down in the goods producing industries

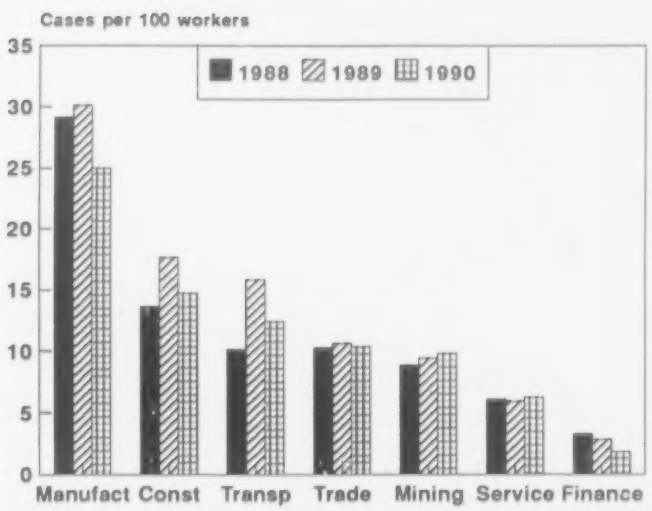
Alaska's mining industry is dominated by oil and gas extraction, which is composed of two parts: petroleum and gas production, and oil and gas field services. The "big oil" companies are the producers. Their subcontractors provide the field services such as drilling, exploration, and construction.

The production companies have an OSHA case rate consistently lower than most trade industries. The 1990 OSHA case rate for oil and gas production was 4.5 cases per 100 workers, less than half the all private industry average of 11.1. The time loss case rate for the producers, at 1.1 in 1990, is among the lowest of any industry. During the last ten years the field service companies have cut their OSHA case rate nearly in half, from 24.9 in 1981 to 13.9 in 1990. During this same period their time loss case rate has been cut by over half, from 11.7 to 5.4, and is now at a record low.

Construction's record low rates for all OSHA cases and time loss cases were set in 1988 during a period of declining employment. In 1989 both employment and the injury/illness rates rose. During 1990 construction employment grew 7%; but the OSHA case rate fell to its second lowest level of record, 14.7 cases per 100 workers. Although the time loss rates for 1989 and 1990 are above the 1988 low, it is encouraging that the average for the last three years, at 6.5, is below all years prior to 1988. Of all time loss cases in 1990, 9% were from construction employees who account for 5% of all nonfederal workers.

Figure • 1

OSHA Industry Case Rates
Alaska 1988-1990



Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

Alaska's logging and seafood processing industries traditionally lead all others in the rate of OSHA recordable injuries and illnesses. The OSHA case rate in logging has shown continued improvement for the last four years. The 1990 rate of 40.1 cases per 100 workers is a marked change from the rate of 56.6 recorded in 1986. The time loss case rate for logging, at 21.9 per 100 workers in 1990, is the lowest in six years. The OSHA case rate in seafood processing has been fluctuating the last few years. The preliminary 1990 rate of 26.7 cases per 100 workers is the lowest recorded since 1984. Of more importance,

the time loss case rate, 13.3, is the lowest in five years.

Fatality rate highest in nation

According to the National Institute of Occupational Safety and Health (NIOSH), Alaska has the highest worker fatality rate in the nation. Based on figures for the seven year period 1980 to 1986, Alaska has had a worker fatality rate of 34.2 cases per 100,000 workers. This is four times higher than the U.S. rate of 7.9.

More than 100 fatalities have been reported to the Alaska Division of Workers' Compensation during the last three years. Forty cases were reported for 1990. The leading cause of fatal injury for Alaskan workers is aircraft accidents. There were 9 such cases in both 1989 and 1990. The next leading cause of worker death in 1990 is falls, followed by motor vehicle accidents. For the first 10 months of 1991, there have been 34 reported fatalities.

The data collected by the Division of Workers' Compensation does not include commercial fishing. A 1988 study by the University of Alaska's Institute of Social and Economic Research, for the period 1981 to 1984, concluded that the death rate among commercial fisherman in Alaska was 20 times higher than the average for all other industries. Beginning in 1992, The Alaska Department of Labor

Table • 1

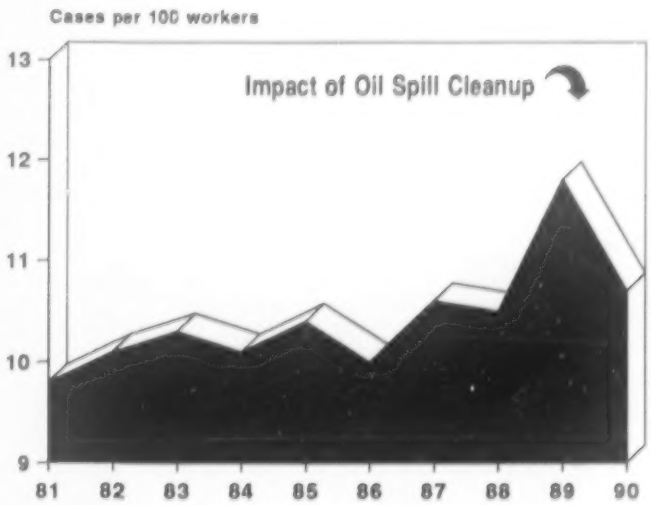
Case Rates per 100 Workers
Private Sector, Alaska 1981-1990

	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
TOTAL	10.0	10.3	10.6	10.3	10.7	10.2	10.9	10.8	12.3	11.1
Injury	9.8	10.1	10.3	10.1	10.4	10.0	10.6	10.5	11.8	10.7
Illness	0.2	0.2	0.3	0.2	0.3	0.3	0.4	0.3	0.5	0.3

Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

Figure • 2

OSHA Injury Case Rate
Alaska Private Sector 1981-1990



Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

will begin a new program to obtain a more comprehensive count of work related fatalities using multiple data sources.

Private sector rate

Alaska's 1990 rate for all OSHA injuries and illnesses is up slightly from prior years. The 1990 private sector rate of 11.1 represents a modest increase from the rates of 10.9 and 10.8 recorded in 1987 and 1988, respectively. The 1989 rate of 12.3 is unusual because it includes the impact of the Prince William Sound oil spill cleanup project. The 1990 private sector rate for time loss cases is also slightly above the 1987-88 levels. The 1990 time loss case rate for the private industry is 5.2 cases per 100 workers.

Time loss cases

In 1990, time loss cases accounted for 47% of OSHA injuries and illnesses. The Alaska Division of Workers' Compensation received 12,103 time loss case claims for 1990. Only 15% of these claims were from workers employed in state or local government. The largest share of the time loss cases were from manufacturing, 24%. Workers in trade and service industries submitted 18% and 14% respectively of the total claims.

In Alaska's private sector an average of 15 days of work is lost for each time loss case. For the past three years the average number of lost days has been lower than any time since 1976. Alaska's rates for injury and illness cases are always higher than the U.S. average. Interestingly, Alaska's average number of days lost is usually lower than the U.S. average. This seems to suggest that Alaska's time loss injuries are more frequent in occurrence but slightly less severe.

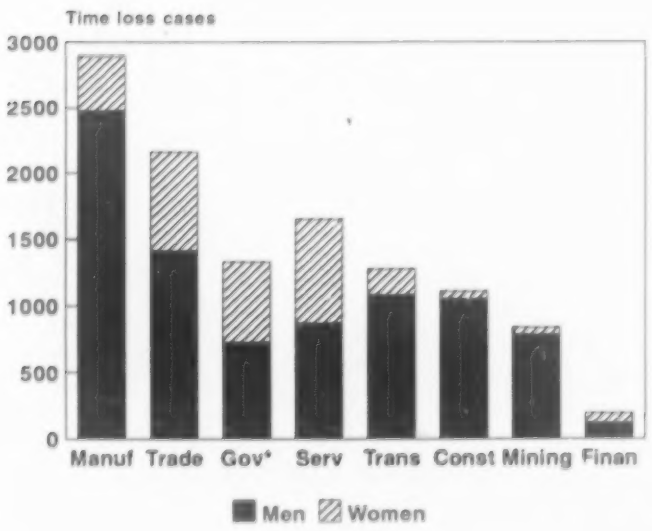
Women workers accounted for 23% of the private sector time loss cases in 1990. Although women make up nearly half of the total work force, the majority of women are employed in less hazardous occupations.

Rates creeping up in lower hazard industries

The industries which usually get the attention in articles such as this are the higher risk ones, such as manufacturing and construction. The private sector OSHA case rate is the sum of all industries. The lower rate industries do impact the private sector total because of their employment size. A look at the last few years' data shows that the injury and illness case rates in some lower risk industries have risen somewhat. In retail trade the total OSHA case rate has been above 10.0 for the last three years, whereas it was below that level for the prior seven years. Similarly, the rates in Services industries (6.2 in 1990) have been slightly higher in the last few years than in the early 1980s. Subtle changes in large lower rate industries are not a cause for alarm, but it is important to realize that they do impact the private sector total, which everyone watches closely.

Figure • 3

Time Loss Cases Alaska 1990 by Sex and Industry



*Note: * Government here includes only state and local government.*

Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

Table • 6

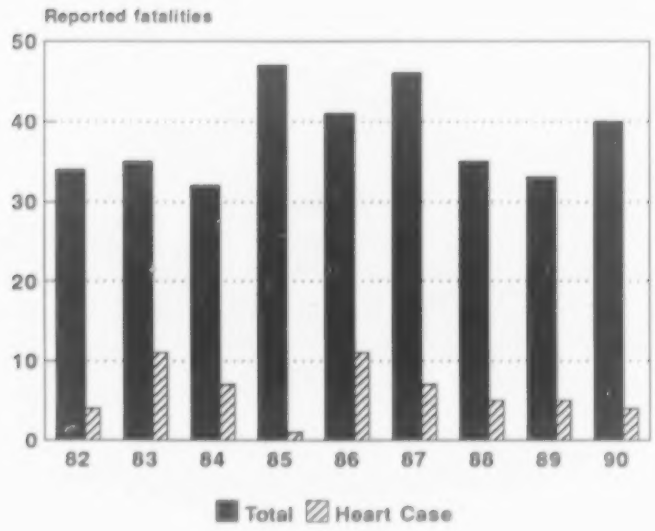
Changes in Estimated OSHA Injuries and Employment
Alaska 1989 and 1990

	Injuries			Estimated Hours Worked (Millions)			Employment		
	1989	1990	% Change	1989	1990	% Change	1989	1990	% Change
Private Sector	15,681	15,922	1.5	265.7	287.5	8.2	156,467	165,035	5.5
Mining	1,061	1,329	25.3	23.2	27.2	17.2	10,247	11,475	12.0
Construction	1,443	1,480	2.6	16.6	20.1	21.1	9,798	10,503	7.2
Manufacturing	4,375	4,537	3.7	31.6	36.3	14.9	15,667	17,182	9.7
Transportation	2,855	2,167	-24.1	38.2	34.9	-8.6	21,169	20,622	-2.6
Trade	3,605	3,719	3.2	68.6	72.4	5.5	44,197	45,956	4.0
Finance	221	158	-28.5	15.9	17.3	8.8	9,244	9,165	-0.9
Services	1,974	2,399	21.5	69.8	77.5	11.0	45,899	49,819	8.5
State/Local Gov	2,982	2,939	-1.4	74.4	78.5	5.5	48,842	51,000	4.4

Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

Figure • 4

Reported Fatalities 1982-1990
Alaska Workers' Compensation Division



Source: Alaska Department of Labor, Research and Analysis Section, Occupational Safety and Health Statistics.

Job Growth Picks Up Speed In October

by Holly Stinson

Holly Stinson is a labor economist with the Research & Analysis Section, Administrative Services Division, Alaska Department of Labor. She is based in Anchorage.

After two months of lackluster performance, Alaska's economy showed renewed promise of growth in October. Statewide there were 3,600 more jobs than October 1990. (See Table 1.) This follows over the year gains of fewer than 2,000 jobs for each of the past four months. Additional employment with new retail stores in Fairbanks, however, accounted for several hundred of the new jobs.

Over shadowing this growth was an unemployment rate of 9%, the highest in four years for October. Historically, a 9% unemployment rate in October is not much above Alaska's average of 8.6%. (See Figure 2.) This year's over the month increase of 1.5%, however, is higher than the past several years. While Alaska's economy is still creating jobs, there are not enough jobs to absorb the many new entrants to the labor market.

The jobs created were all in the services-producing industries. Strongest growth occurred in transportation, retail trade and services. Those industries on the goods producing side mining, construction and manufacturing all had employment losses when compared to October 1990, continuing a trend that is now several months old.

Fairbanks has hundreds of new retail jobs

Two new stores, Fred Meyer and Sears Roebuck, opened in Fairbanks in October, creating hundreds of new retail jobs. (See Figure 1.) More than half of the job growth in Fairbanks' economy was attributable to this single reason. (See Table 2.) New retail jobs in Fairbanks also accounted for the state posting the highest retail trade gains yet in 1991, following two months of no or negative growth. As the holiday season approaches, retail trade should post continued employment gains. Even with a slowdown in Alaska's economy, retailers are anticipating a better holiday season than many counterparts in the Lower 48.

Another sector showing strong growth in October was the transportation industry. As a whole, the industry had healthier growth rates than any time since last January. Transportation jobs declined from September, a usual seasonal occurrence. Compared to last October, though, there were 1,000 more jobs this year.

Much of this growth is in the Anchorage/MatSu Re-

Table • 1

Nonagricultural Wage and Salary Employment by Place of Work — Alaska

	p/ 10/91	r/ 9/91	Changes from: 10/90	9/91	10/90
Total Nonag. Wage & Salary	241,300	250,500	238,300	-8,600	3,600
Goods-producing	36,900	42,200	38,500	-5,300	-1,600
Mining	11,300	12,200	11,900	-900	-600
Construction	12,000	12,900	12,100	-900	-100
Manufacturing	13,600	17,100	14,500	-3,500	-900
Durable Goods	3,300	3,800	4,200	-500	-900
Lumber & Wood Products	2,300	2,800	3,300	-500	-1,000
Nondurable Goods	10,300	13,300	10,300	-3,000	0
Seafood Processing	6,400	9,400	6,500	-3,000	-100
Pulp Mills	900	900	900	0	0
Service-producing	205,000	208,300	199,800	-3,300	5,200
Transportation	21,700	22,900	20,700	-1,200	1,000
Trucking & Warehousing	2,700	2,700	2,600	0	100
Water Transportation	1,500	1,500	1,400	0	100
Air Transportation	6,700	7,100	6,500	-400	200
Communications	3,500	3,600	3,400	-100	100
Trade	47,500	47,900	46,600	-400	900
Wholesale Trade	8,200	8,400	8,400	-200	-200
Retail Trade	39,300	39,500	38,200	-200	1,100
Gen. Merch. & Apparel	6,600	6,600	5,900	0	700
Food Stores	6,800	6,800	6,700	0	100
Eating & Drinking Places	13,400	13,800	13,200	-400	200
Finance-Ins. & Real Estate	10,300	10,300	10,300	0	0
Services & Misc.	52,300	54,700	50,400	-2,400	1,900
Hotels & Lodging Places	5,300	6,500	5,200	-1,200	100
Government	73,200	72,500	71,800	700	1,400
Federal	18,800	19,400	18,300	-600	500
State	21,700	21,900	21,700	-200	0
Local	32,700	31,200	31,800	1,500	900

Notes: Prepared in cooperation with the U.S. Bureau of Labor Statistics.

Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear here are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1990
p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

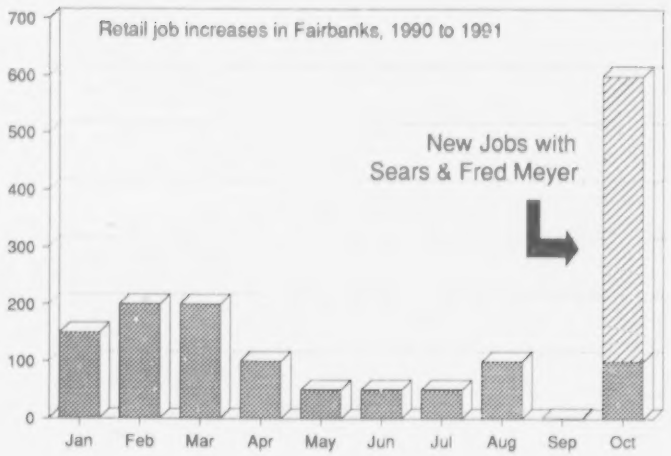
gion. The Anchorage airport saw the last Japan Airlines passenger flight leave in October. Anchorage is still posting over the year gains in air transportation. Contributing to growth are two cargo carriers new to Anchorage Malaysian and Singapore airlines. To date, new activity appears to be making up for the loss of international passenger flights in Anchorage at least in terms of jobs.

Other regions of the state are showing strong growth in transportation employment. After recently laying off 100 people, MarkAir is now planning an expansion that will add the same number back into their work force. MarkAir is adding new destinations to their schedule: Seattle now and possibly Southeast Alaska communities in January. A subsidiary, MarkAir Express, is adding rural Alaskan communities to their in state schedule. Another local airline, Ketchikan based Temsco, shut down operations (the helicopter portion of their business remained open). Other local transportation services expanded operations, though, and hired some of the former Temsco employees.

Another contributor to the positive side of October's ledger was government employment. Federal and local governments had stronger over the year job gains in October than any month this year. The absence of several hundred federal census workers this year was a major factor in this category's negative employment growth for

Figure • 1

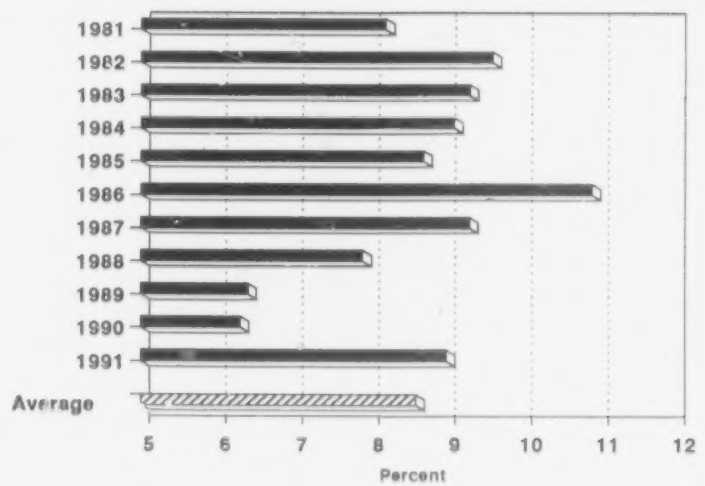
Retail Jobs Skyrocket in Fairbanks



Source: Alaska Department of Labor, Research and Analysis Section.

Figure • 2

October's Unemployment Averages 8.6%



Source: Alaska Department of Labor, Research and Analysis Section.

Table • 2

Nonagricultural Wage and Salary Employment By Place of Work

Municipality of Anchorage

	p/ 10/91	r/ 9/91	10/90	Changes from: 9/91	Changes from: 10/90
Total Nonag. Wage & Salary	115,300	116,950	112,800	-1,650	2,500
Goods-producing	12,650	13,800	12,700	-1,150	-50
Mining	3,600	3,850	3,900	-250	-300
Construction	6,850	7,400	6,600	-550	250
Manufacturing	2,200	2,550	2,200	-350	0
Service-producing	102,650	103,150	100,100	-500	2,550
Transportation	11,400	11,800	11,000	-400	400
Trucking & Warehousing	1,650	1,700	1,550	-50	100
Water Transportation	300	300	350	0	-50
Air Transportation	4,050	4,200	4,000	-150	50
Communications	2,150	2,200	1,950	-50	200
Trade	26,700	26,850	26,600	-150	100
Wholesale Trade	5,900	6,000	5,950	-100	-50
Retail Trade	20,800	20,850	20,650	-50	150
Gen. Merch. & Apparel	3,300	3,400	3,200	-100	100
Food Stores	3,500	3,450	3,300	50	200
Eating & Drinking Places	7,650	7,700	7,800	-50	-150
Finance-Ins. & Real Estate	6,550	6,450	6,450	100	100
Services & Misc.	30,250	30,600	28,650	-350	1,600
Hotels & Lodging Places	2,500	2,600	2,350	-100	150
Government	27,750	27,450	27,400	300	350
Federal	10,500	10,600	10,250	-100	250
State	8,150	7,950	8,150	200	0
Local	9,100	8,900	9,000	200	100

Fairbanks North Star Borough

	p/ 10/91	r/ 9/91	10/90	Changes from: 9/91	Changes from: 10/90
Total Nonag. Wage & Salary	28,750	29,100	27,650	-350	1,100
Goods-producing	2,550	2,650	2,550	-100	0
Mining	200	250	200	-50	0
Construction	1,700	1,750	1,750	-50	-50
Manufacturing	650	650	600	0	50
Service-producing	26,200	26,450	25,100	-250	1,100
Transportation	2,150	2,350	2,100	-200	50
Trucking & Warehousing	450	500	550	-50	-100
Air Transportation	450	500	450	-50	0
Communications	300	300	300	0	0
Trade	6,600	6,450	5,950	150	650
Wholesale Trade	800	750	750	50	50
Retail Trade	5,800	5,700	5,200	100	600
Gen. Merch. & Apparel	950	550	600	400	350
Food Stores	850	800	800	50	50
Eating & Drinking Places	2,000	2,400	1,900	-400	100
Finance-Ins. & Real Estate	800	800	750	0	50
Services & Misc.	6,300	6,550	6,100	-250	200
Government	10,350	10,300	10,200	50	150
Federal	3,100	3,150	3,050	-50	50
State	4,400	4,300	4,400	100	0
Local	2,850	2,850	2,750	0	100

Anchorage-MatSu Region

	p/ 10/91	r/ 9/91	10/90	Changes from: 9/91	Changes from: 10/90
Total Nonag. Wage & Salary	123,300	124,750	120,600	-1,450	2,700
Goods-producing	13,250	14,300	13,300	-1,050	-50
Mining	3,750	4,000	4,050	-250	-300
Construction	7,200	7,700	6,950	-500	250
Manufacturing	2,300	2,600	2,300	-300	0
Service-producing	110,050	110,450	107,300	-400	2,750
Transportation	12,200	12,600	11,750	-400	450
Trade	28,600	28,700	28,550	-100	50
Finance-Ins. & Real Estate	6,950	6,850	6,900	100	50
Services & Misc.	31,750	32,200	30,100	-450	1,650
Government	30,550	30,100	30,000	450	550
Federal	10,700	10,800	10,400	-100	300
State	9,000	8,800	8,950	200	50
Local	10,850	10,500	10,650	350	200

Interior Region

	p/ 10/91	r/ 9/91	10/90	Changes from: 9/91	Changes from: 10/90
Total Nonag. Wage & Salary	32,700	33,450	31,550	-750	1,150
Goods-producing	2,850	2,950	2,850	-100	0
Mining	400	400	400	0	0
Construction	1,800	1,850	1,800	-50	0
Manufacturing	650	700	650	-50	0
Service-producing	29,850	30,500	28,700	-650	1,150
Transportation	2,450	2,700	2,350	-250	100
Trade	7,000	6,900	6,350	100	650
Finance-Ins. & Real Estate	850	850	800	0	50
Services	6,850	7,350	6,700	-500	150
Government	12,700	12,700	12,500	0	200
Federal	3,700	3,900	3,650	-200	50
State	4,650	4,600	4,650	50	0
Local	4,350	4,200	4,200	150	150

Nonagricultural Wage and Salary Employment By Place of Work

Southeast Region

	p/ 10/91	r/ 9/91	Changes from: 10/90	9/91	10/90
Total Nonag. Wage & Salary	33,300	35,750	33,550	-2,450	-250
Goods-producing	6,050	7,200	6,700	-1,150	-650
Mining	350	350	350	0	0
Construction	1,250	1,350	1,200	-100	50
Manufacturing	4,450	5,500	5,150	-1,050	-700
Durable Goods	2,200	2,350	2,900	-150	-700
Lumber & Wood Products	2,100	2,250	2,800	-150	-700
Nondurable Goods	2,250	3,150	2,250	-900	0
Seafood Processing	1,150	2,000	1,150	-850	0
Pulp Mills	900	900	900	0	0
Service-producing	27,250	28,550	26,850	-1,300	400
Transportation	2,700	2,950	2,600	-250	100
Trade	5,400	5,700	5,400	-300	0
Wholesale Trade	600	600	600	0	0
Retail Trade	4,800	5,100	4,800	-300	0
Finance-Ins. & Real Estate	1,050	1,050	1,100	0	-50
Services & Misc.	5,600	6,200	5,450	-600	150
Government	12,500	12,650	12,300	-150	200
Federal	2,100	2,300	2,200	-200	-100
State	5,400	5,600	5,400	-200	0
Local	5,000	4,750	4,700	250	300

Gulf Coast Region

	p/ 10/91	r/ 9/91	Changes from: 10/90	9/91	10/90
Total Nonag. Wage & Salary	22,600	24,300	23,100	-1,700	-500
Goods-producing	5,400	6,600	5,900	-1,200	-500
Mining	1,200	1,300	1,250	-100	-50
Construction	1,100	1,050	1,200	50	-100
Manufacturing	3,100	4,250	3,450	-1,150	-350
Seafood Processing	2,200	3,200	2,450	-1,000	-250
Service-producing	17,200	17,700	17,200	-500	0
Transportation	2,000	2,050	1,950	-50	50
Trade	3,900	4,250	3,850	-350	50
Wholesale Trade	450	550	450	-100	0
Retail Trade	3,450	3,700	3,400	-250	50
Finance-Ins. & Real Estate	650	600	650	50	0
Services & Misc.	4,600	4,750	4,550	-150	50
Government	6,050	6,050	6,200	0	-150
Federal	550	600	600	-50	-50
State	1,850	1,950	1,900	-100	-50
Local	3,650	3,500	3,700	150	-50

Northern Region

	p/ 10/91	r/ 9/91	Changes from: 10/90	9/91	10/90
Total Nonag. Wage & Salary	15,000	15,550	15,150	-550	-150
Goods-producing	6,050	6,550	6,400	-500	-350
Mining	5,550	6,000	5,850	-450	-300
Service-producing	8,950	9,000	8,750	-50	200
Government	4,750	4,550	4,600	200	150
Federal	300	300	300	0	0
State	400	400	350	0	50
Local	4,050	3,850	3,950	200	100

Southwest Region

	p/ 10/91	r/ 9/91	Changes from: 10/90	9/91	10/90
Total Nonag. Wage & Salary	14,850	15,300	14,400	-450	450
Goods-producing	3,300	4,150	3,100	-850	200
Seafood Processing	2,950	3,800	2,700	-850	250
Service-producing	11,550	11,150	11,300	400	250
Government	6,600	6,300	6,450	300	150
Federal	1,300	1,350	1,300	-50	0
State	550	550	550	0	0
Local	4,750	4,400	4,600	350	150

Notes: Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

The employment numbers that appear above are definitionally different from those that appear in the Labor Force table.

Benchmark: March 1990

p/ denotes preliminary estimates
r/ denotes revised estimates

Source: Alaska Department of Labor, Research & Analysis Section.

Table • 3

Alaska Hours and Earnings for Selected Industries

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	p/ 10/91	r/ 9/91	10/90	p/ 10/91	r/ 9/91	10/90	p/ 10/91	r/ 9/91	10/90
Mining	$1,116.83	$1,138.99	$1,076.43	48.6	49.5	46.7	$22.98	$23.01	$23.05
Construction.	1,128.14	1,153.01	1,132.04	45.6	47.1	46.3	24.74	24.48	24.45
Manufacturing	538.61	544.50	556.90	41.4	43.7	41.1	13.01	12.46	13.55
Seafood Processing	373.21	441.21	386.78	41.7	46.2	40.8	8.95	9.55	9.48
Trans., Comm. & Utilities	622.52	626.04	575.23	34.7	36.0	33.6	17.94	17.39	17.12
Trade	356.13	360.07	360.75	32.2	33.4	32.5	11.06	11.02	11.10
Wholesale	585.61	583.35	570.36	38.2	40.2	39.2	15.33	15.27	14.55
Retail	309.69	316.13	316.91	31.0	31.9	31.1	9.99	9.91	10.19
Finance-Ins. & R.E	411.89	419.72	398.14	33.9	35.3	34.0	12.15	11.89	11.71

Notes:
p/ denotes preliminary estimates
r/ denotes revised estimates
Benchmark: March 1990

Averages are based on data for full- and part-time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Source: Alaska Department of Labor, Research & Analysis Section.

the first half of the year. The underlying increase in workers with other federal agencies, including civilian employment on military bases, can now be seen in the statistics.

Local government growth is virtually all in the education sector. Likewise, although total employment with the state appears to be the same as last October, there is growth on the education side. The University of Alaska has more jobs this October, while jobs with other state agencies drops further below year ago levels. The job count doesn't differentiate between part time and full time employment, though. An increase in total employment may mask the fact that an agency has traded some full-time jobs for more part time jobs.

Weaknesses are in mining, construction and manufacturing industries

Tempering October's job growth in the services industries were several hundred fewer jobs in mining, construction and manufacturing. Overall mining employment is down by 600 over the year. A small amount of growth in hard rock and other mining was not enough to negate the losses in the oil and gas industry. This industry has been registering over the year job losses since July. One major operator on the North Slope, ARCO Alaska, trimmed its workforce by more than 200. Many of these layoffs occurred in October.

At the same time, however, ARCO announced plans to go ahead with a second gas handling facility that will allow a boost in oil production. Named GHX-II, this $1.5 billion project will mean several hundred construction jobs over the next three years, and eventually boost oil and gas employment. Also in October, ARCO revealed that exploratory drilling in Cook Inlet resulted in a discovery there.

Another major oil producer, Chevron, announced in October that they plan to more than triple their investment dollars in Alaska over the next five years. They do not have plans to do any further exploration in the Chukchi Sea but will concentrate, instead, on their Milne Point operation and its vicinity on the North Slope.

In spite of job losses in oil and gas, Alaska's oil production was above 1990 for the first ten months of this year, due to well stimulation and enhanced oil recovery technology. Prices remain fairly stable and fairly high, close to $20/barrel. The major producers, though, are tightening their belts as they make plans for future projects.

October was the first month in 1991 that Alaska's seafood processing employment dipped into negative numbers compared to the same month of 1990. In fact, October was this industry's first month of negative rates in almost two years—since the end of1989. Southwest

was the only region with more seafood processing jobs than October 1990. Gains in this region, however, were negated by the losses suffered in the Gulf Coast region. There, an October cod opening only lasted three days before trawlers reached the halibut bycatch allowance, shutting down bottom trawling in the western and central Gulf. Trawling for pollock is becoming an activity lasting a few days, too, instead of several weeks or months. Shortened openings are contributing to Kodiak's record setting unemployment rates. The only community to experience a greater increase in unemployment from last October was Haines, where a sawmill closure meant a loss of 125 jobs. (See Table 4.)

The real drag on manufacturing employment, though, is not seafood processing but wood products. This industry has been in decline in the Southeast region since last winter, showing over the year employment losses of up to 1,000 each month. October saw employment losses spread to Southcentral when Chugach Alaska closed its sawmill in Seward, meaning a loss of up to 150 jobs for the area. The company is offering the mill for sale, so these job losses may not be permanent.

Alaska's construction industry had the smallest employment decline over-the-year than the other goods-producing industries. There was some good news for this industry in October. The Job Corps Center in Palmer received the federal funding necessary for its construction. Also, ground was broken in Ketchikan for the $7.1 million Southeast Alaska Public Lands Information Center (SAPLIC). Some hope that the SAPLIC will become an anchor for further development of the Spruce Mill dock area. Preliminary plans call for marine businesses, restaurants, and other businesses to locate there, catering both to tourists and local residents.

Ketchikan saw the above mentioned federal project start in October, while another one ended. The U.S. Navy's submarine sound testing facility on Back Island was completed, and testing should begin early in 1992.

Summary: Employment gains tempered by higher unemployment rate

October's over the year gain of 3,600 new jobs was the highest number since April. All of these new jobs were with service producing industries. The opening of two new stores in Fairbanks meant several hundred new retail jobs there. Other industries showing strong growth in October were transportation and services.

Government employment also made gains in October. The number of federal workers was up 500 over October 1990, while record school enrollments pushed local government employment up 900 over the year. State employment remained the same as last year's but the emphasis shifted. There were more jobs with the University of Alaska this year and fewer with all other state agencies.

The basic industries of mining, manufacturing and construction all lost employment in October. Losses in the mining industry are all in the oil and gas sector. In manufacturing, a wood products industry in decline in Southeast is the major cause for employment losses, but the suffering spread to Southcentral in October when a large sawmill closed. Shortened openings for cod and pollock in the Gulf Coast kept seafood processing employment below year ago levels.

Even with employment gains, Alaska saw a 1.5% increase in the unemployment rate in October to 9%, the highest rate for October in four years. Every region is registering higher unemployment rates. Haines and Kodiak experienced the largest over the year increases of 12.3 and 9.1 percentage points, respectively. Historically, though, the unemployment rate averages 8.6% for October. While the economy in 1991 may appear sluggish compared to the growth of 1989 and 1990, statistics such as this October's are not new to Alaska.

Table • 4

Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate %			Employment		
	p/ 10/91	r/ 9/91	10/90	p/ 10/91	r/ 9/91	10/90	p/ 10/91	r/ 9/91	10/90	p/ 10/91	r/ 9/91	10/90
Alaska Statewide	259,616	260,474	256,880	23,322	19,641	16,222	9.0	7.5	6.3	236,294	240,833	240,658
Anch.-MatSu Region	137,153	136,159	134,815	11,014	9,668	7,410	8.0	7.1	5.5	126,139	126,491	127,405
Munic. of Anchorage	120,146	119,886	118,459	8,621	7,732	5,736	7.2	6.4	4.8	111,525	112,154	112,723
MatSu Borough	17,007	16,273	16,356	2,393	1,936	1,674	14.1	11.9	10.2	14,614	14,337	14,682
Gulf Coast Region	29,060	29,602	29,209	3,867	2,831	2,512	13.3	9.6	8.6	25,193	26,771	26,697
Kenai Peninsula Borough	18,084	18,415	18,321	2,648	2,012	1,963	14.6	10.9	10.7	15,436	16,403	16,358
Kodiak Island Borough.	6,701	6,799	6,433	819	549	200	12.2	8.1	3.1	5,882	6,250	6,233
Valdez-Cordova	4,275	4,388	4,455	400	270	349	9.4	6.2	7.8	3,875	4,118	4,106
Interior Region	36,815	36,613	35,788	3,889	3,261	2,953	10.6	8.9	8.3	32,926	33,352	32,835
Fairbanks North Star Bor	31,713	31,659	30,884	3,163	2,740	2,413	10.0	8.7	7.8	28,550	28,919	28,471
Southeast Fairbanks	2,068	2,039	2,050	244	191	231	11.8	9.4	11.3	1,824	1,848	1,819
Yukon-Koyukuk	3,034	2,915	2,854	482	330	309	15.9	11.3	10.8	2,552	2,585	2,545
Northern Region	8,616	8,566	8,467	912	812	511	10.6	9.5	6.0	7,704	7,754	7,956
Nome	3,158	3,144	3,100	340	308	189	10.8	9.8	6.1	2,818	2,836	2,911
North Slope Borough	3,114	3,082	3,106	200	149	97	6.4	4.8	3.1	2,914	2,933	3,009
Northwest Arctic Borough	2,344	2,340	2,261	372	355	225	15.9	15.2	10.0	1,972	1,985	2,036
Southeast Region	35,322	36,887	35,999	2,907	2,447	2,203	8.2	6.6	6.1	32,415	34,440	33,796
Haines Borough	972	1,034	878	201	215	74	20.7	20.8	8.4	771	819	804
Juneau Borough	15,723	16,541	16,066	1,065	967	782	6.8	5.8	4.9	14,658	15,574	15,284
Ketchikan Gateway Bor	6,552	6,824	6,736	545	442	473	8.3	6.5	7.0	6,007	6,382	6,263
Pr. of Wales-Outer Ketch	2,789	2,902	2,733	398	362	241	14.3	12.5	8.8	2,391	2,540	2,492
Sitka Borough	4,067	4,270	4,196	249	213	215	6.1	5.0	5.1	3,818	4,057	3,981
Skagway-Yakutat-Angoon	1,677	1,672	1,729	184	86	173	11.0	5.1	10.0	1,493	1,586	1,556
Wrangell-Petersburg	3,542	3,644	3,661	265	162	245	7.5	4.4	6.7	3,277	3,482	3,416
Southwest Region	12,650	12,647	12,602	733	622	633	5.8	4.9	5.0	11,917	12,025	11,969
Aleutians East Borough	879	887	884	7	7	8	0.8	0.8	0.9	872	880	876
Aleutians West	2,473	2,493	2,481	29	27	26	1.2	1.1	1.0	2,444	2,466	2,455
Bethel	4,932	4,899	4,856	415	341	319	8.4	7.0	6.6	4,517	4,558	4,537
Bristol Bay Borough	493	489	487	32	24	24	6.5	4.9	4.9	461	465	463
Dillingham	2,230	2,237	2,258	72	59	91	3.2	2.6	4.0	2,158	2,178	2,167
Wade Hampton	1,643	1,642	1,636	178	164	165	10.8	10.0	10.1	1,465	1,478	1,471

Notes: p/ denotes preliminary estimates r/ denotes revised estimates Benchmark: March 1990

- *Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey in formulas used to allocate federal funds.*
- *Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor.*
- *The official definition of unemployment currently in place excludes anyone who has made no attempt to find work in the four-week period up to and including the week that includes the 12th of each month. Most Alaska economists believe that Alaska's rural localities have proportionately more of these discouraged workers.*
- *he employment numbers that appear above are definitionally different from those that appear in the Nonagricultural Wage & Salary Employment tables.*

Source: Alaska Department of Labor, Research & Analysis Section.

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Employment Scene - October 1990
Alaska's October employment and unemployment data examined.

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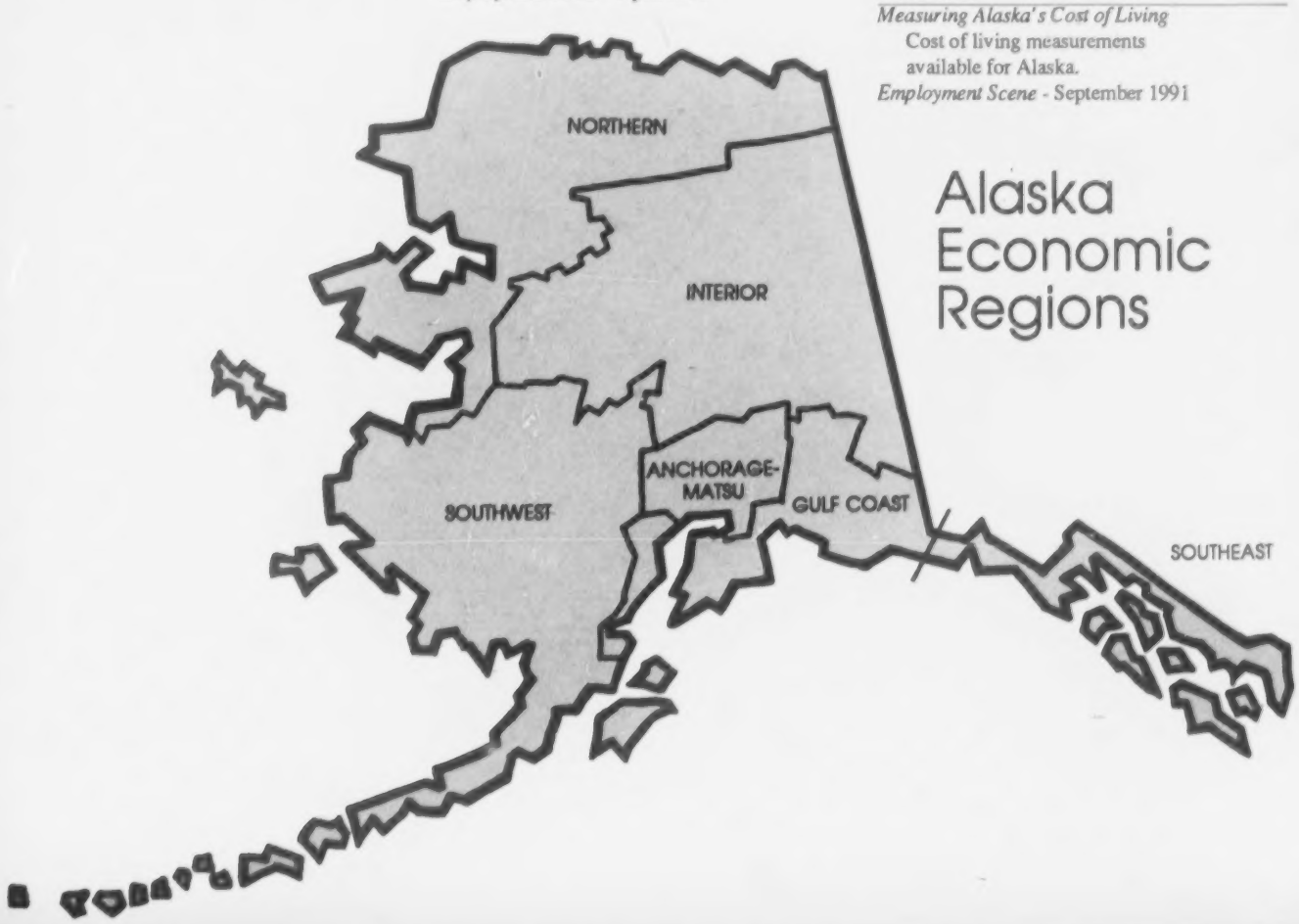

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